



# **KSA ICT Indicators End of Q4 2015**

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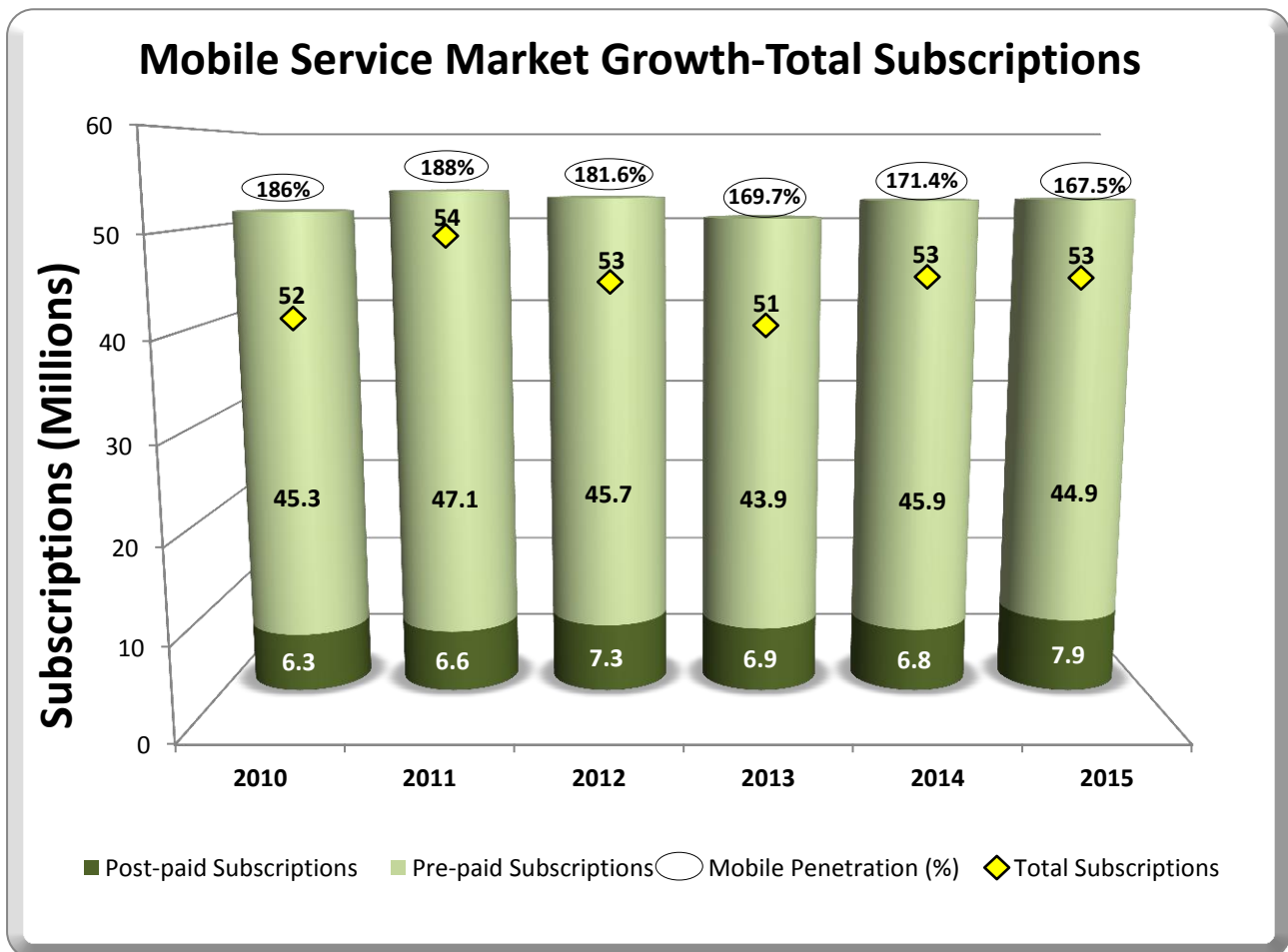
**Feb 2016**



## The ICT Sector growth in the Kingdom of Saudi Arabia

### 1. Mobile Telecommunications Market

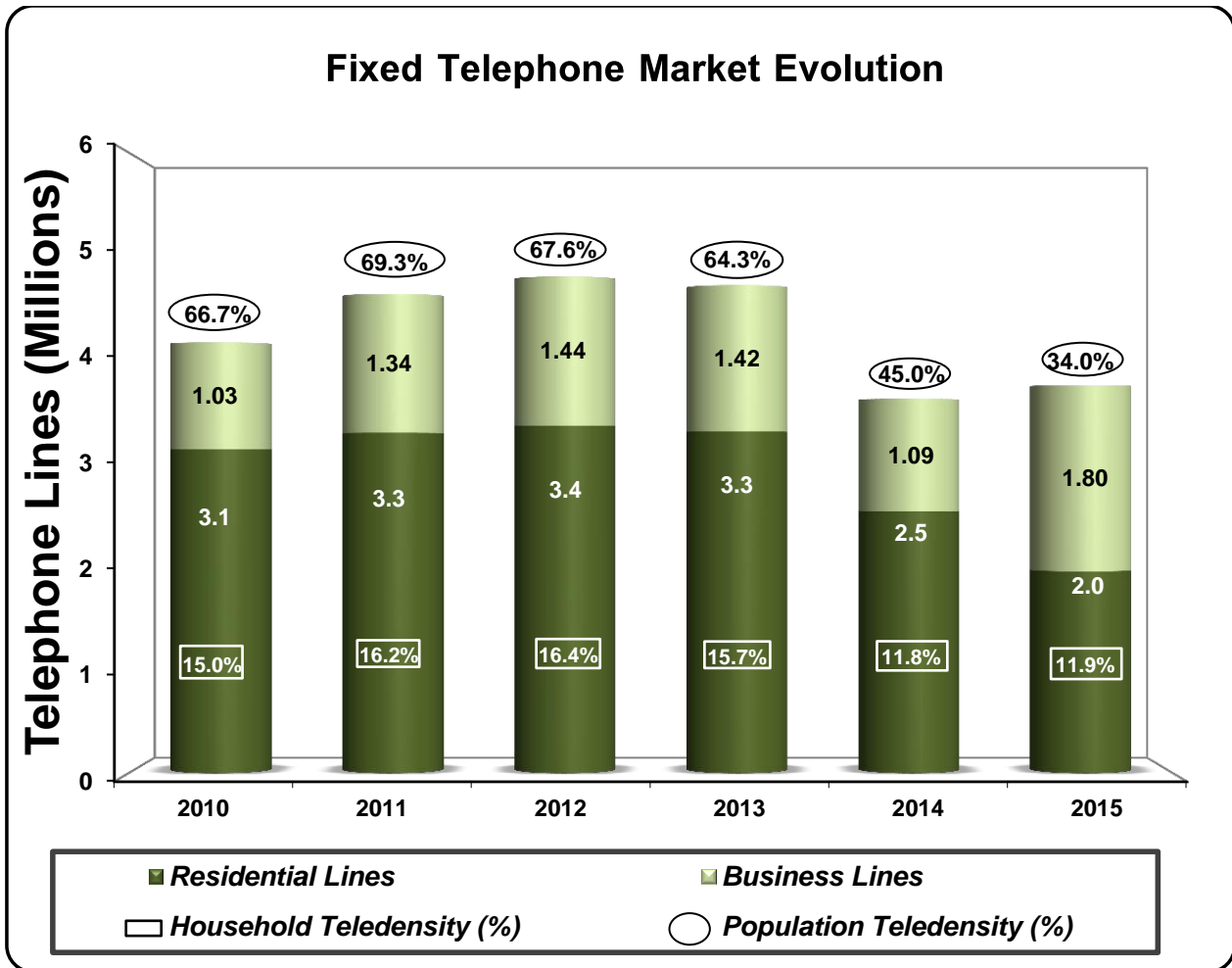
The total number of mobile subscriptions reached around 53 million by the end of 2015, with penetration rate of 167.5%. Prepaid subscriptions constitute the majority (over 84%) of all mobile subscriptions. The CITC issuance of MVNOs licenses helped improve services and customer care plus the variation of the provided services..





## 2. Fixed Telephony Market

Fixed telephone lines reached 3.8 million by the end of 2015, of which around 2 million or 52% were residential lines. This represents a household teledensity of around 34 %, while the population teledensity is about 12%, it is noted that the number of subscriptions has continued decreasing due to the completion of the mobile services in prices and variety of offerings which make it a substitution of fixed services for some of the consumers.



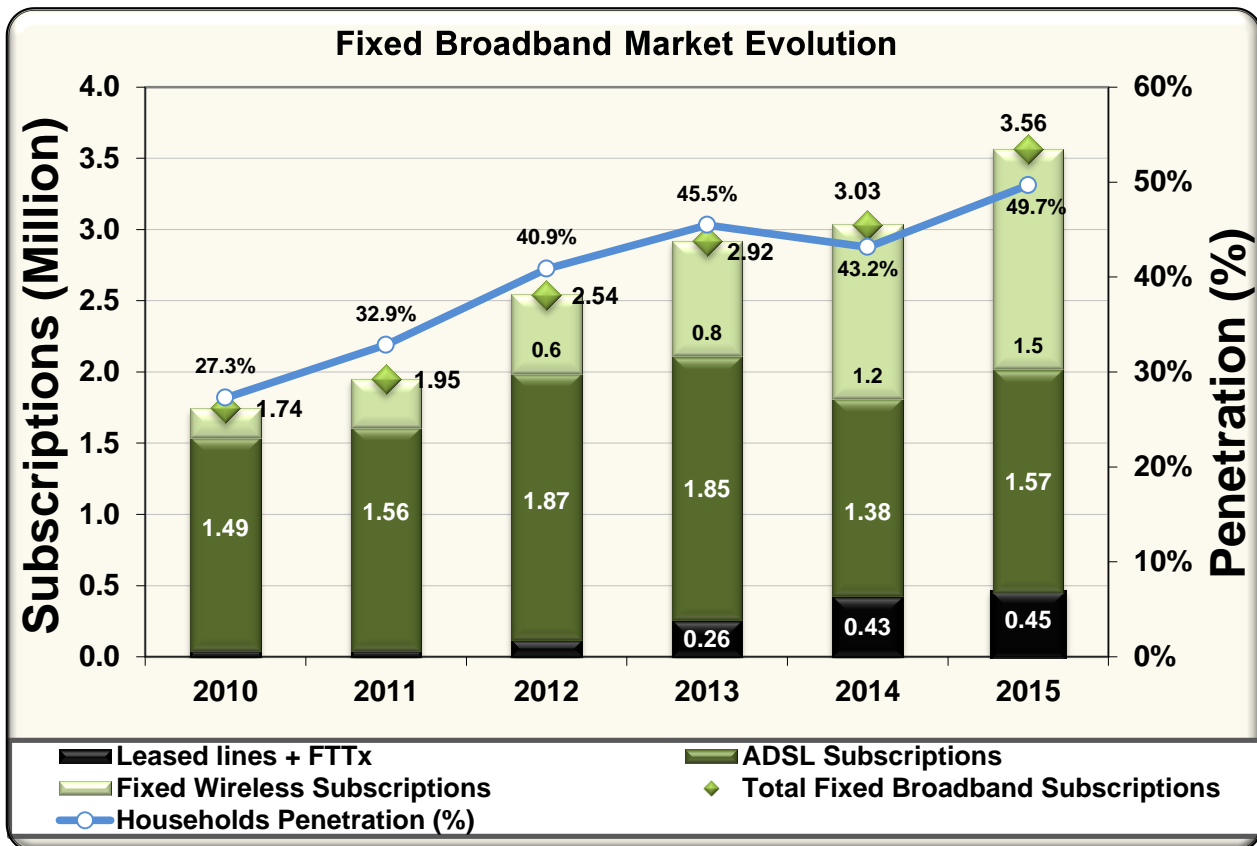
**Note:** Population teledensity is calculated by dividing the total number of fixed lines by the total population, and household teledensity is calculated by dividing the total number of residential fixed lines by the total number of households.



### 3. Broadband Market:

#### 3.1. Fixed Broadband Services:

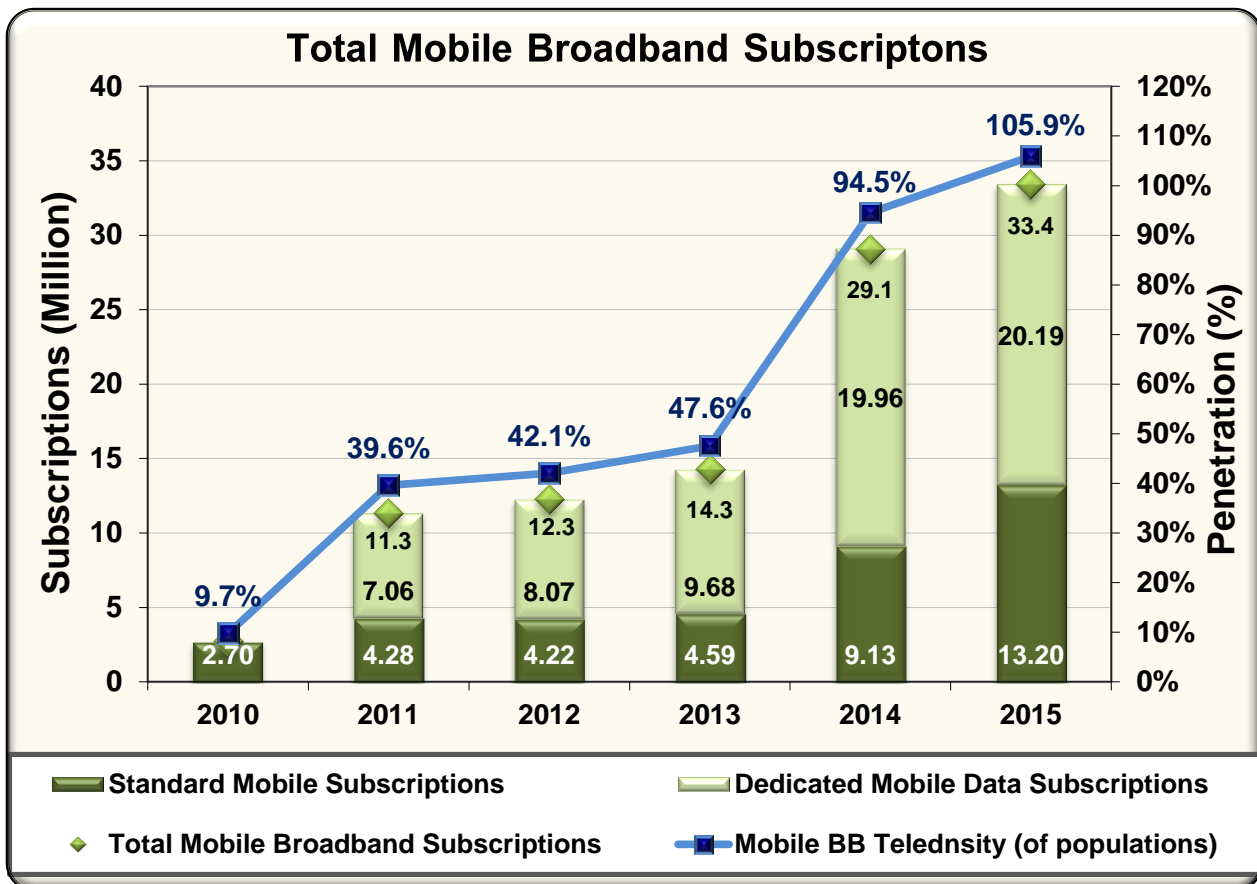
Fixed broadband subscriptions including DSL, fixed wireless (WiMax), FTTx and other fixed lines have grown to around 3.56 million subscriptions at the end 2015. The Fixed broadband penetration rate stands at about 49.67% of households.





### 3.2. Mobile Broadband Services:

The total number of mobile broadband subscriptions continues to increase, and reached around 33.4 million by the end 2015, representing a population penetration rate of 106%. The mobile broadband market also continues to gain momentum in the Kingdom. The key reasons for this growth include strong competition, the healthy expansion in the use of smart phones, and the offering of various data packages by mobile operators suitable for different user segments. These have led to a dramatic rise in the number of users in recent years, and an increase in the data traffic over these devices, supported by the wide coverage of the 3G and 4G networks.

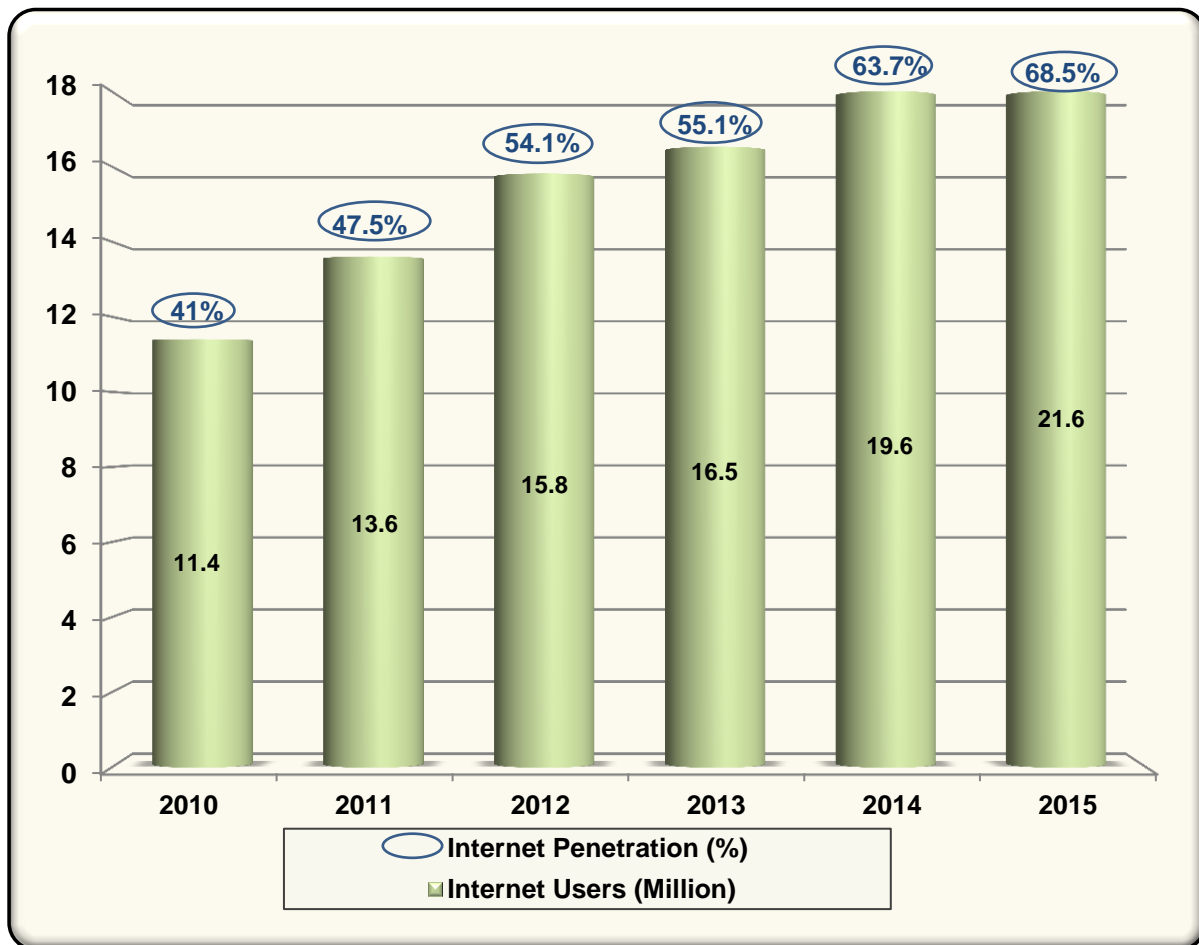




#### 4. Internet Services :

The number of Internet users in the Kingdom continues to rise rapidly, reaching about 21.6 million at the end of 2015, with a population penetration of 68.5%. Increased demand for Internet services and broadband was observed due to high use of social networking applications, video on demand and gaming. Customers are seeking higher speeds and larger packages resulting in heavy data traffic on both mobile and fixed networks.

It is expected that the demand for Internet services will continue to increase significantly over the next few years as a result of the availability of high speed fiber-optic networks (FTTx), increased Internet content, and the continued spread of broadband services.

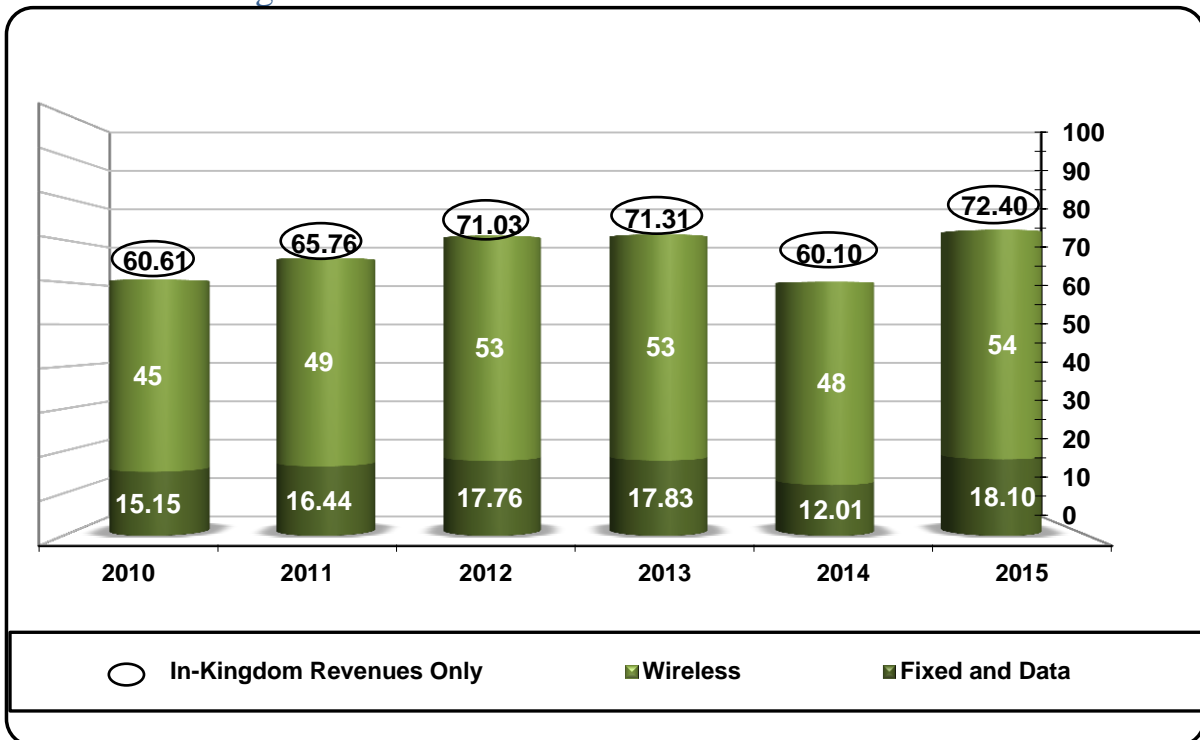




## 5. Telecom Services Sector Revenues:

Telecom services revenues from operations in Saudi Arabia reached about SAR 72.4 billion in 2015. Increased about 5.8% of 2014 ,Mobile revenues represent 75% of all telecom sector revenues, with fixed and data services accounting for the remaining 25%..

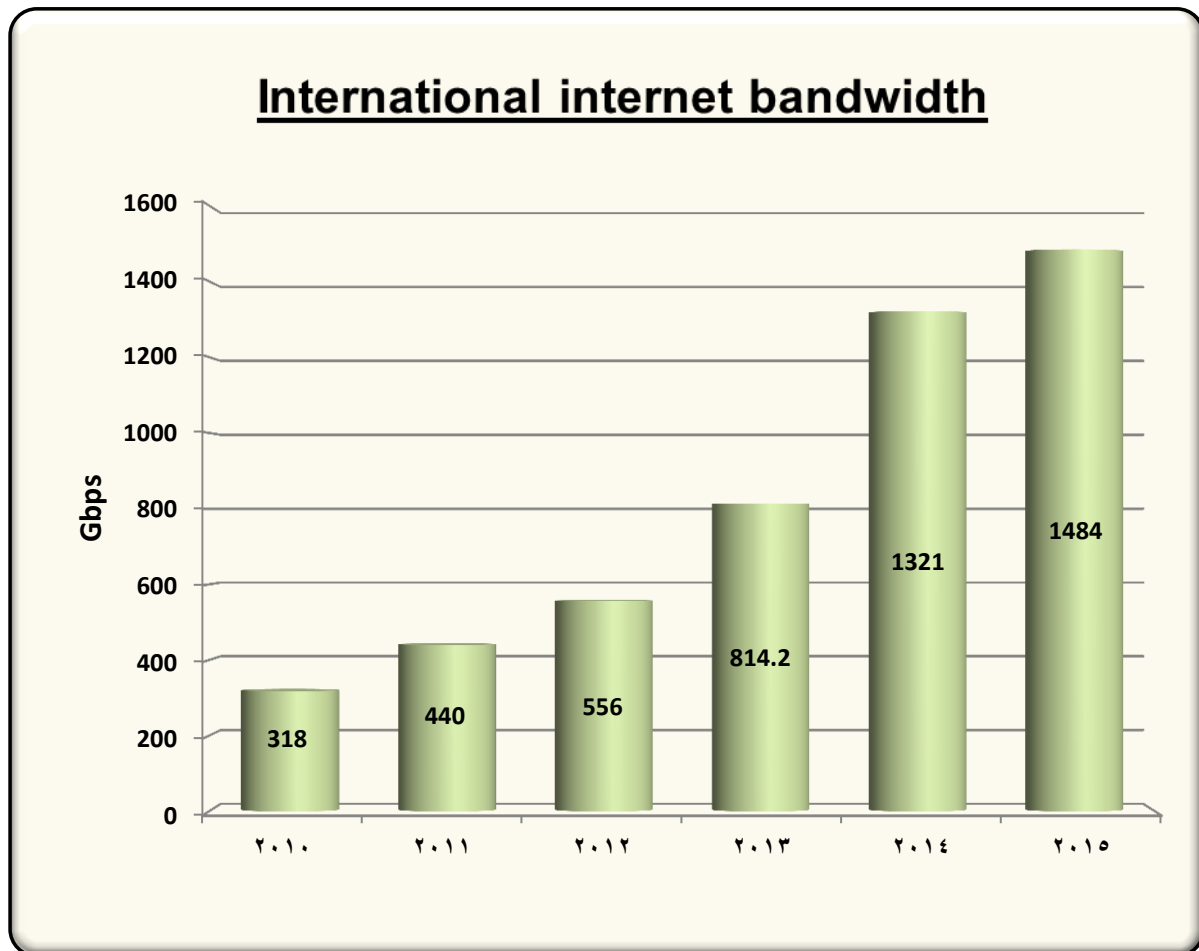
Figure 17: Telecom Services Sector Revenues





## 6. International Internet Bandwidth

The total capacity for international Internet connectivity in 2015 was about 1484 (Gbits/s) compared to 318 Gbits/s in 2010.







## **7. ICT Contribution to the National Economy**

The ICT sector plays an important role in the national economy, and can be measured the extent of its effect on several indicators, including: contributing to the gross domestic product (GDP) of the economy, investment in the activity of Communications and Information Technology, and the size of spending on ICT services

Because the basic big role of the ICT sector in the transition to a knowledge-based economy, the kingdom has sought to support this sector by formulating strategies and implementing initiatives and programs supportive, aimed at increasing levels of access to ICT, enhance the levels of income of the sector, the added value and attract more investment and create more job opportunities including qualifies the kingdom economy to shift gradually toward a knowledge-based economy.

### **7.1 Contribution to the GDP**

According to CITC estimates, the contribution of the ICT sector represents around 6% of total GDP. If, however, the oil and mining sector components of the GDP are excluded, it is estimated that the ICT contribution to the national GDP is up to 10% for the year (2015).



## 7.2 Spending on ICT Services

Based on its recent studies, CITC estimates that spending on ICT services was up to SAR 120 billion in 2015, with a growth rate of about 7% compared to 2014. The telecommunications sector accounts for the lion's share of spending by 64%, while the proportion of spending on IT services is about 36%. This scale of expenditure is due to the investment in infrastructure for the Next generation Networks, and 4G mobile networks, and the adoption of electronic services (e-government, e-health, e-education, e-commerce, etc.) as well as spending on information security. It is expected that the telecommunications market and information technology will continue to grow on a regular basis.

